

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority (“Authority”) was held on Tuesday, May 10, 2022, at 10:00 am.

The Authority made available a video link for guest presenters and a telephone number for anyone who wanted to listen to the meeting. The phone number was provided to those who requested access by 4:00 pm Monday, May 9, 2022.

These are the minutes of the meeting.

Members present:

Jim Simon, Chairman
Michael Curtin
Cara Brook

Members present remotely:

Michael Keenan, Vice Chairman

Ex-Officio members present remotely:

Gene Phillips, Ohio Department of Health

General Counsel:

Thad Boggs, Frost Brown Todd

Staff present:

Christina O’Keeffe, Executive Director
Brooke Grant, Manager of Planning and Projects
Sandra Langston, Administrative Manager
Dawn Pertner, Fiscal Officer
Gabriel Lorenz, Customer Service Coordinator
Laura Klein, Program Coordinator
Joseph Mechling, Program Assistant

Guest present:

Blake Beachler, Calfee Halter & Griswold
Katie Lundy, Inspire PR
Amy Kurt, EDP Renewables North America
Terrence O’Donnell, Dickinson & Wright PLLC

Guest Present Remotely:

Ali Stano, EDP Renewables North America
Angela Youngstrom, EDP Renewables North America
Austin Augustine, EDP Renewables North America
Chad Gardner, EDP Renewables North America
Pavel Onyschchenko, EDP Renewables North America
Randy Sawyer, EDP Renewables North America
Craig Hammond, Dickinson & Wright PLLC
Mary Sullivan, Dinsmore & Shohl
Rob McCarthy, Bricker & Eckler, LLP
Steve Smith, Frost Brown Todd

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Chapter 3706-1 of the Ohio Administrative Code.

Chairman Simon called the meeting to order at 10:09 AM.

1. The Chairman welcomed everyone. He stated that due to legislation that was recently passed, the Authority is able to have board members participate and vote remotely.

Roll call of Authority Members:

Chairman Simon: Present
Vice-Chairman Keenan: Present
Member Curtin: Present
Member Brook: Present
Member Factor: Not Present
Member Phillips: Present

General Counsel Boggs confirmed compliance with the Open Meetings Act, that a quorum of five members was present and that it remained an open, public meeting. Mr. Boggs confirmed the meeting was fully in compliance with state law. Under the authority granted by HB 51, the Authority can conduct meetings remotely. A roll call vote should be taken for each item that requires a vote.

Chairman Simon asked Gabe Lorenz to provide an overview of Microsoft Teams functions for the benefit of the virtual attendees. Ms. Langston facilitated the introduction of guests present in person and those attending virtually.

Chairman Simon stated that the Authority would be explicit on which item was on the table for discussion or vote, and that he would recognize members and guests by name and title during discussions or ask them to introduce themselves. He mentioned that a roll call vote for resolutions being voted on would be taken in random order.

2. Minutes – Regular business meeting April 12, 2022.

Member Brook moved for approval of the minutes. Member Curtin seconded.

Roll call vote:

Member Curtin: Yes
Member Brook: Yes
Member Phillips: Yes
Vice-Chairman Keenan: Yes
Chairman Simon: Yes

Motion passed unanimously. Minutes adopted.

3. Resolution 22-22 (CAIP-Inducement)

Blue Harvest Solar Park LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of air quality facilities for the use of Blue Harvest Solar Park LLC.

Director O’Keeffe introduced the Resolution as well as Resolution 22-23, noting the same developer has both projects and will be presenting on each in their presentation to the Board.

Both projects are utility-scale solar facilities that each have a total capacity under 50 Megawatts (MW). One facility will be in Putnam County and the other in Paulding County. OAQDA received applications for these projects last month and began the due-diligence process to include evaluation of the technical, financial and local engagement criteria. The Authority’s financial advisor, PFM, reviewed the tax benefits that will accrue from the project. EDP is engaging the local community and the results from those conversations will be provided to the board when the projects return for the final bond resolution.

Director O’Keeffe then introduced Amy Kurt, Director of Development of EDP Renewable North America to present on the projects.

Ms. Kurt provided an overview of EDP Renewables, describing it as one of the largest owners and operators of wind farms in North America. They boast over 900 employees across the country, with a majority in Houston, Texas. They operate 58 wind farms and eight solar parks, which produce over 8,000 MW of energy. EDP currently operates one facility in Paulding County and another in Hardin County. These existing projects have proven to be successful economic drivers, creating over \$670 million in capital investment, with \$113.5 million of that total being spent in Ohio, primarily in the local school districts. Furthermore, there have been 30 permanent jobs and 374 construction jobs created due to these existing projects.

Both projects will have a total capacity of 49.9 MW solar parks. They will be similar in size, with Blue Harvest encompassing 330 acres and Timber Road covering 321.5 acres. Both projects produce similar amounts of clean energy, with Timber Road producing slightly more at roughly 109,475 MWh/Yr while Blue Harvest will be expected to produce 108,623 MWh/Yr. The total cost of each project is \$80 million, and each project is requesting bond financing of \$53 million. EDP is only seeking tax exemptions for certain areas of the plot of lands that they have acquired for the purpose of the project.

EDP chose these locations for the projects due to several reasons, including the solar resource available at these locations, the supportive communities and access to a transmission line. EDP started site grading and drainage and began building access roads during the second quarter of 2022.

During the third quarter of 2022, the Company will begin the installation of both underground electrical cables and solar modules. The completion of the solar parks and the subsequent delivery of electricity to the grid will take place in the fourth quarter. The projects are expected to be completed in the first quarter of 2023.

Ms. Kurt stated that these projects will provide clean air benefits, with each facility able to supply enough pollution-free energy to power approximately 11,000 Ohio homes. Combined, the two projects will save more than 139 million gallons of water each year and help displace carbon emissions from fossil fuel power plants. Both projects also help preserve soil health as the solar parks help preserve or aide in the repair of soil underneath and around the panels.

EDP has an agreement with each county to provide direct annual payments to the county and includes disbursements to the local schools. The projects will create 80-90 full time jobs, 160-170 part time construction jobs and two to three jobs during the operations phase. Local businesses will also see benefits from the projects. The direct payments to the communities are each estimated to produce a local revenue of \$449,100 after one year, and an estimated \$13,473,000 by 2052.

Chairman Simon inquired about the process EDP used in engaging the local community. Ms. Kurt mentioned that EDP has done a lot of work in Paulding County already, so they have good relationships with the County Commissioners and the Trustees dating back at least a decade. Communications with these parties, as well as local school districts and landowners about the projects have been taking place for some time. On the other hand, EDP is not as familiar with Putnam County since their company is new to the area with this first project. They began communications with the County Commissioners and Trustees a few years ago. At that time, they began a door-to-door canvas in a nearby town, hanging up posters around town and recently did a meet-and-greet at a local coffee shop, which was well-received and well-attended.

Vice-Chairman Keenan commented positively about the amount of time EDP has spent in the communities and stated their approach could be a model.

Member Curtin inquired if the projects will cease to exist after 30 years. Ms. Kurt replied that their land leases with the landowners allow them to have two additional decade-long extensions, meaning these solar farms could be running for 50 years if the landowners agreed to the extension in time. Also, along with the solar farms, EDP has signed Memorandums of Understanding with the counties that outlined other commitments, including drainage management and a decommissioning. Once the lease expires, EDP will uninstall all facilities and return the land to its original form. Member Curtin asked if this implies that the land may not be a solar farm for the next 100 years. Ms. Kurt replied that it possible; however, EDP's lease is for 30 years with options to extend to 50 years.

Member Brook mentioned that this is a way to invest in the growth of farming, as this can help increase agricultural productivity. She asked if Ms. Kurt can speak on this point. Ms. Kurt replied that some farmers are making a choice not to farm their crops but instead to use their land for facility to generate electricity. For some farmers, this option was an opportunity for them to retire

and they willingly signed a lease agreement to have someone else utilize the land for a productive use.

Member Curtin inquired about the ownership structure of EDP Renewables North America. Mr. Pavel Onyschchenko, Senior Finance Manager with EDP, stated that the projects owned by EDP Renewables North America are controlled by a holding company on behalf of EDP Renewables.

Ms. Kurt added that EDP Renewables North America is fully owned by EDP Renewables, which is an investor-owned utility based in Portugal. Chairman Simon inquired if EDP is owned by U.S. based investors. Ms. Kurt responded that EDP is a publicly traded European company.

Member Curtin moved for approval. Member Brook seconded.

Roll call vote:

Member Brook: Yes

Chairman Simon: Yes

Vice-Chairman Keenan: Yes

Member Phillips: Yes

Member Curtin: Yes

Motion passed unanimously. Resolution adopted.

4. Resolution 22-23 (CAIP-Inducement) Timber Road Solar Park LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of air quality facilities for the use of Timber Road Solar Park LLC.

Member Brook moved for approval. Member Curtin seconded.

Roll call vote:

Chairman Simon: Yes

Member Brook: Yes

Vice-Chairman Keenan: Yes

Member Curtin: Yes

Member Phillips: Yes

Motion passed unanimously. Resolution adopted.

5. Executive Director's Report Christina O'Keeffe

Director O'Keeffe provided an update to the Members regarding recent organizational activities and began with highlighting significant program information. For the Solar Generation Fund, OAQDA issued the first payments last month for generation produced by approved facilities. For the Clean Air Improvement Program (CAIP), she noted progress towards the annual goal of

reaching \$400 million for total bond issuance of projects in 2022. There are many projects, totaling more than \$600 million, in the pipeline with \$19 million closed after the first quarter.

She also noted the progress with the Market Needs Assessment Request for Proposal (RFP) for which two proposals are being evaluated. She acknowledged Members Brook and Curtin on the evaluation team. The goal is to provide a recommendation at the June regular board meeting.

The Clean Air Resource Center (CARC) program is reaching the conclusion of its annual program year, which is on the state fiscal year cycle, ending June 30. OAQDA's goal at the beginning of the year was to achieve 14 projects. OAQDA has remained consistent throughout the year with project activity and has closed on 12 projects to date. She reminded members of the eventual need for funding to continue to operate the program after current funds are exhausted in the next biennium (2024-2025). There have been preliminary discussions with the Ohio EPA, which administers the source of funding for the CARC program.

Transitioning into administrative updates, Director O'Keeffe noted the updates on the electronic database, which has been pending a start date for nearly 6 months due to contractual issues between Department of Administrative Services (DAS) and the vendors. Although there is hope the project can commence in mid-May, the ongoing delay has highlighted that lack of prioritization for OAQDA's needs in this process, even as the client. The experience of the team has demonstrated the lack of control by OAQDA over its own project and could increase project risk moving forward. It was agreed the IT security provided by the DAS is an advantage and it will hopefully offset the costs of working through the development and implementation process with this particular vendor. The recommendation is to move forward with the state's contractor.

Chairman Simon asked General Counsel Boggs for his assessment regarding the database agreements. General Counsel Boggs stated he is comfortable with either path the Board decides whether proceeding with the DAS-controlled option or to pursue the stand-alone vendor, iTech, on developing and hosting the database. He acknowledged that it took several months to agree on language with the State and this delay could be an indicator for the level of service provided by these vendors in the future involving the project. Member Curtin asked to confirm that DAS is the state agency involved in this project and Director O'Keeffe provided affirmation. Member Brook stated her preference for the enhanced cybersecurity from the State but asked about the permanency of the option if the Authority would later need to explore another solution without the state being involved. Director O'Keeffe responded it should always be a possibility to separate from the state platform in the future; however, it might involve challenges with access and export of OAQDA data, cost, or other barriers depending on the cooperation of the state agencies and their vendors.

Next, Director O'Keeffe highlighted marketing and media updates. She mentioned a recent article in the Columbus Business First, which was published in April and showcased three OAQDA projects with real estate developer Alterra. Inspire PR was recognized for their effort. Additionally, it was noted that stakeholder engagement continues to be a focus. Director O'Keeffe shared she is traveling more often at various events and visiting with key stakeholders.

Further, to showcase recent local engagement with customers and stakeholders, Director O’Keeffe introduced Gabe Lorenz to present on their Small Business Week activities along with the new OAQDA blog.

Mr. Lorenz presented a summary of his and Director O’Keeffe’s visits during the week of May 2-6, 2022 in recognition of National Small Business Week and Air Quality Awareness Week. On Tuesday, May 2nd, a ribbon-cutting event was held at Howald’s Paint and Body Works in Springfield. This event was a success in promoting the benefits of OAQDA’s small business assistance program and included public officials, specifically Senator Bob Hackett and State Representative Kyle Koehler. In addition, on Wednesday May 4th, Director O’Keeffe visited with business owner, Ray Kroner, of Kroner’s Dry Cleaners in Cincinnati and learned about the resiliency of his business during the covid-19 pandemic. Mr. Kroner had mentioned how important the OAQDA grant was for their business, as it helped them keep employees around during the pandemic.

Recently, OAQDA launched a blog on its new website that will be published monthly and supported by Inspire PR. The first blog was from Director O’Keeffe entitled “Breathe a Little Easier: OAQDA Celebrates Air Quality Awareness Week 2022”. The second blog was by Mr. Lorenz with a focus on OAQDA’s activities during National Small Business Week.

Director O’Keeffe concluded her remarks on her report and took questions from the Members.

Member Curtin inquired on statewide trade associations for dry cleaners and the Authority’s engagement with these stakeholders. He further commented that he would be interested in learning more from the trade associations on any data they have on environmental aspects, such as whether member dry cleaning businesses still use PERC (Perchloroethylene), or similar data, that can give the Authority guidance on pursuing potential projects. Director O’Keeffe stated the team will follow up with these organizations along with the EPA, based on their regulatory role in permitting these sites, and will report back.

Regarding the information presented on the CARC program, Chairman Simon asked if the data included both grant and loan amounts. Director O’Keeffe confirmed only the grants, which are funds included in the state operating budget as the revenue originates from Title V permit holders, administered by Ohio EPA. Chairman Simon asked for an estimate on the number of projects that could be served by the remaining CARC funds. Director O’Keeffe estimated at least ten projects per state fiscal year could be supported with this remaining funding in the next proposed biennium budget, or through June 30, 2025.

6. Adjournment

The meeting is adjourned at 10:57 am.

The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held at 480 S High Street, Columbus, OH 43215 on Tuesday, JUNE 14, 2022.